

Section 5. Specific Risk

(a) *Modeled specific risk.* A bank may use its internal model to measure specific risk. If the bank has demonstrated to the FDIC that its internal model measures the specific risk, including event and default risk as well as idiosyncratic variation, of covered debt and equity positions and includes the specific risk measure in the VAR-based capital charge in section 3(a)(2)(i) of this appendix, then the bank has no specific risk add-on for purposes of section 3(a)(2)(ii) of this appendix. The model should explain the historical price variation in the trading portfolio and capture concentration, both magnitude and changes in composition. The model should also be robust to an adverse environment and have been validated through backtesting which assesses whether specific risk is being accurately captured.

(b) *Add-on charge for modeled specific risk.* A bank that incorporates specific risk in its internal model but fails to demonstrate to the FDIC that its internal model adequately measures all aspects of specific risk for covered debt and equity positions, including event and default risk, as provided by section 5(a) of this appendix, must calculate the bank's specific risk add-on for purposes of section 3(a)(2)(ii) of this appendix as follows:

(1) If the model is capable of valid separation of the VAR measure into a specific risk portion and a general market risk portion, then the specific risk add-on is equal to the previous day's specific risk portion.

(2) If the model does not separate the VAR measure into a specific risk portion and a general market risk portion, then the specific risk add-on is the sum of the previous day's VAR measures for subportfolios of covered debt and equity positions.

(c) *Add-on charge if specific risk is not modeled.* If a bank does not model specific risk in accordance with paragraph (a) or (b) of this section, the bank's specific risk add-on charge for purposes of section 3(a)(2)(ii) of this appendix equals the sum of the components for covered debt and equity positions. If a bank models, in accordance with paragraph (a) or (b) of this section, the specific risk of covered debt positions but not covered equity positions (or vice versa), then the bank's specific risk add-on charge for the positions not modeled is the component for covered debt or equity positions as appropriate:

* * * * *

Dated at Washington, D.C. this 23rd day of March, 1999.

By order of the Board of Directors.
Federal Deposit Insurance Corporation.

Robert E. Feldman,

Executive Secretary.

[FR Doc. 99-9185 Filed 4-16-99; 8:45 am]

BILLING CODES 4810-33-P; 6210-01-P; 6714-01-P

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR part 187

[CGD 98-050]

RIN 2115-AD35

Vessel Identification System; Effective Date Change

AGENCY: Coast Guard, DOT.

ACTION: Interim final rule; change in effective date.

SUMMARY: The Coast Guard extends the delay of the effective date of part of its regulations establishing the vessel identification system. Subpart D of these regulations addressing guidelines for State vessel titling systems was to become effective on April 24, 1999. The Coast Guard needs more time to study the costs and benefits of other possible regulatory alternatives. By extending the delay in the effective date until October 24, 1999, the Coast Guard will have more time to develop a supplemental notice of proposed rulemaking. The remainder of the regulation is unaffected by this notice.

EFFECTIVE DATES: Effective April 23, 1999, the effective date of subpart D of 33 CFR part 187 is delayed until October 24, 1999. All other provisions of the interim final rule that became effective on April 24, 1996, will remain in effect.

FOR FURTHER INFORMATION CONTACT: For questions regarding this change of effective date, call Ensign Brian Ly, Office of Information Resources, telephone 202-267-6989. This telephone is equipped to record messages on a 24-hour basis.

SUPPLEMENTARY INFORMATION:

Background

46 U.S.C. 12501 requires the Secretary of Transportation to establish a Vessel Identification System (VIS). On April 25, 1995 the Coast Guard published an interim final rule (60 FR 20310) which prescribed the manner and form for participating states to make information available for VIS, to establish vessel titling system guidelines, and to establish procedures for certifying compliance. The interim final rule was to go into full effect on April 24, 1996.

Reason for Delay

One subpart of the interim final rule prescribes the procedures for obtaining certification of compliance with guidelines for State vessel titling systems (33 CFR part 187, subpart D). The effective date of that subpart was

delayed through April 23, 1999 (63 FR 19657) to allow the States and the Coast Guard more time to review the complexities of State titling systems. Since publishing the interim final rule, the Coast Guard has determined that changes resulting from the comments received over the course of this project would be so substantive that moving to a final rule without allowing another opportunity to comment would not be in the best interest of the public. The Coast Guard is currently drafting a supplemental notice of proposed rulemaking (SNPRM) which will allow for further comment. However, this process will take time to adequately research the costs and benefits of the proposed regulatory changes. Therefore, the Coast Guard is delaying the effective date of subpart D until October 24, 1999, before which time we expect to publish a SNPRM. All other provisions of the interim final rule will remain in effect.

Accordingly, under the authority of 46 U.S.C. 2103 and 49 CFR 1.46, the effective date of 33 CFR part 187, subpart D, is changed to October 24, 1999.

Dated: April 13, 1999.

R. C. North,

Assistant Commander for Marine Safety and Environmental Protection.

[FR Doc. 99-9759 Filed 4-16-99; 8:45 am]

BILLING CODE 4910-15-M

POSTAL SERVICE

39 CFR Part 20

Priority Mail Global Guaranteed

AGENCY: Postal Service.

ACTION: Interim rule with request for comment.

SUMMARY: The Postal Service, through an alliance with DHL Worldwide Express Inc., is offering an enhanced expedited service from selected locations in the United States to selected countries in Europe. This service will offer day-certain delivery with a postage refund guarantee for allowable contents.

DATES: Effective Date: April 19, 1999. Comments on the interim rule must be received on or before May 19, 1999.

ADDRESSES: Written comments should be mailed or delivered to the Manager, Pricing, Costing, and Classification, International Business Unit, U.S. Postal Service, 475 L'Enfant Plaza, SW, Room 370-IBU, Washington, DC 20260-6500. Copies of all written comments will be available for public inspection between 9 a.m. and 4 p.m., Monday through